

Message Text

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FM AMEMBASSY HELSINKI

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DEPT PASS SENATORS HUBERT HUMPHREY, RUSSELL LONG, BOB GRIFFIN,
CONGRESSMEN LENORE SULLIVAN, PHIL RUPPE, OBERSTAR FROM AMB
AUSTAD

E.O. 11652: N/A

TAGS: PFOR, FI

SUBJECT: US PURCHASE OF FINNISH ICEBREAKERS

1. BECAUSE OF ITS IMPORTANCE TO THE U.S. - TO COURAGEOUS FINLAND AND TO FINNISH-AMERICAN RELATIONSHIPS, IT IS WITH DEEP REGRET THAT I AM UNABLE TO PRESENT MY THOUGHTS ON ISSUE BEFORE YOU IN PERSON. DUE TO DISTANCE AND TIME DEMANDS, I AM RESPECTFULLY REQUESTING YOUR CAREFUL CONSIDERATION OF THIS CASE VIA THIS ALTERNATIVE METHOD. I DO NOT BELIEVE THERE ARE MANY MORE VITAL PROBLEMS FACING YOUR COMMITTEE OR CONGRESS THAN THE ONE TO WHICH I HEREBY MAKE REFERENCE.

2. I FIRST BECAME INTERESTED IN THIS MATTER SHORTLY BEFORE I WAS CONFIRMED AS US AMBASSADOR TO FINLAND. I WAS AMAGED TO LEARN THAT DUE TO ICE-LOCKED GREAT LAKES THE ENTIRE INDUSTRIAL MIDWEST, ONE OF AMERICA'S MOST IMPORTANT INDUSTRIAL AREAS, OPERATES ON A NINE-MONTH BASIS. EVEN IF ICE FAILS TO DEVELOP, INDUSTRY OF NECESSITY, OPERATES THREE-FOURTHS OF THE YEAR. (STRANGELY ENOUGH, ICING CONDITIONS IN FINLAND ARE SIMILAR TO THOSE OF GREAT LAKES. IF FINLAND HAD THE SAME ATTITUDE AS OUR COUNTRY, SHE COULDN'T EXIST.) WHEN I WAS IN HIGH SCHOOL I WELL REMEMBER RUSSIAN FOREIGN POLICY WAS TIED IN TO THE NEED SHE HAD FOR ICE-FREE PORTS. THAT PROBLEM IS NOW MOOT INASMUCH AS FINLAND HAS MANUFACTURED FIFTEEN ICEBREAKERS WHICH HAS FREED THE SOVIET UNION OF THIS PROBLEM. EVERY OTHER NATION UNCLASSIFIED

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IN THE WORLD SEEKING ICEBREAKERS TURNS TO FINLAND.

3. ACCORDING TO THE US CORPS OF ENGINEERS, EACH DAY THE GREAT LAKES ARE CLOSED DOWN 60,000 AMERICAN JOBS ARE TERMINATED DIRECTLY. MANY THOUSANDS MORE ARE AFFECTED INDIRECTLY (AT \$30 A DAY, TIMES 60,000 MEN, EQUALS ALMOST \$2 MILLION LOST EACH DAY -- THIS DOES NOT INCLUDE LOSS TO INDUSTRY OR TO THE FRINGE JOBS TO WHICH I EARLIER REFERRED.) NINETY DAYS JOBS LOSSES EQUALS APPROXIMATE COSTS OF THREE ICEBREAKERS.

4. THIS UNBELIEVABLE TRAVESTY HAS GONE ON FOR 35 YEARS. IS THERE ANY DOUBT IN YOUR MIND THAT IF HIGHWAY 66 WERE ICED UP OR SNOWED UNDER THAT IT WOULD BE PLOWED OUT? OR, IF THE MISSISSIPPI OR MISSOURI WERE CLOGGED WITH SILT IT WOULD BE IMMEDIATELY CLEARED? THE GREAT LAKES, AMERICA'S FOURTH COAST, REALLY HAS NOT BEEN ADEQUATELY CARED FOR.

5. FIRST THOUGHT AN AMERICAN NORMALLY HAS IS "WHY DON'T WE BUILD ICEBREAKERS OURSELVES TO KEEP THE LAKES CLEARED?" IN THE FIRST PLACE, ONLY THREE ICEBREAKERS ARE REQUIRED, ACCORDING TO THE BEST ADVICE I CAN GET, TO TOOL-UP A SHIPYARD FOR THE MANUFACTURE OF THESE FEW MACHINES WOULD COST MORE THAN ONE ICEBREAKER ITSELF. IF THERE WAS A NEED FOR MANY SUCH SHIPS IT WOULD BE WISE FOR THE US TO MAKE THEM. THIS HAS BEEN TRIED -- TWO VERYL LARGE ICEBREAKERS ARE IN PROCESS OF BEING FINISHED IN SEATTLE SHIPYARDS OF LOCKHEED COMPANY. GENERAL ACCOUNTING OFFICE RECENTLY REPORTED TO CONGRESS THAT LOCKHEED SHIPS ARE ALREADY \$20 MILLION OVER THEIR ESTIMATED COST. FOR US TO MAKE ICEBREAKERS IS AS SENSIBLE AS FOR FINNS TO MAKE DC-10. NO DOUBT THEY COULD BE IT BUT AT HORRENDOUS COST. (INCIDENTALLY, FINNISH GOVERNMENT AND FINNAIR IN LAST FEW YEARS HAVE THROWN OUT ALL AIRPLANES EXCEPT THOSE MADE BY DOUGLAS CAUSING BALANCE OF PAYMENTS BETWEEN OUR TWO COUNTRIES TO BE OVERWHELMINGLY IN FAVOR OF US.) FINNS WILL GIVE A FIXED COST AND STIPULATED TIME FOR COMPLETION OF EQUIPMENT NEEDED.

6. MAIN OBJECTORS TO FINNISH ICEBREAKERS HAVE BEEN LABOR UNIONS AND COAST GUARD. LABOR UNIONS NOW HAVE GIVEN EVIDENCE THEY WILL NO LONGER OBJECT TO PURCHASE. EQUATING THE LESS THAN 2,000 JOBS TO BUILD AN ICEBREAKER (SUCH EMPLOYMENT WOULD LAST LESS THAN TWO YEARS) WITH 60,000 JOBS ANNUALLY AFFECTED, CAN HARDLY UNCLASSIFIED

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BE EQUATED.

7. THIS LEAVES THE MAIN OBJECTOR, THE US COAST GUARD. THEY HAVE COME UP WITH SEVERAL OBJECTIONS, COPIES OF WHICH AS WELL AS ANSWERS BEING AIRMAILED TODAY. I TRULY APPEAL TO YOU TO STUDY THESE PAPERS AS THEY ARE VITAL TO ENTIRE SUBJECT.

8. MY CLIENT IS THE USGOVERNMENT. I AM INTERESTED ONLY IN HER

ULTIMATE WELFARE. FOR THE FIRST TIME IN ANYONE'S MEMORY, DEPARTMENT OF STATE HAS COME ON RECORD POLITICALLY FAVORING ACQUISITION OF FINNISH ICEBREAKERS. (DOCUMENT BEING ALSO AIRMAILED) PRESIDENT FORD, SENATOR GRIFFIN, CONGRESSMAN RUPPE, FORMER COMMANDANT US COAST GUARD AND MANY OFFICIALS OF GREAT LAKES' DELEGATIONS HAVE BEEN TO FINLAND AND ARE COMPLETELY CONVERTED. I REFER YOU TO THIRD ITEM BEING AIRMAILED, THE SEAWAY REVIEW MAGAZINE. IT CONTAINS MANY IMPORTANT ITEMS REGARDING THIS MATTER.

9. I HAVE DISCUSSED THIS WITH ALL TWELVE US SENATORS FROM GREAT LAKES AREA. THEY ARE COMPLETELY IN AGREEMENT. SENATORS HUMPHREY AND GRIFFIN HAVE TAKEN LEAD IN SENATE.

10. AS YOU WELL KNOW, WE ARE COMMITTED TO SELL FROM 6-8 MILLION TONS OF GRAIN ANNUALLY TO SOVIET UNION ALONE. MORE MILLIONS SCHEDULED FOR SHIPMENT TO EASTERN BLOC COUNTRIES. DUE TO OUR ENERGY SHORTAGE, WE ARE TRYING TO CONVERT TO COAL. THE NEED TO SHIP MILLIONS OF TONS OF COAL FROM NORTH CENTRAL AREA OF US MAKES IT IMPERATIVE THAT LAKES BE PUT TO USE ON A YEAR-ROUND BASIS.

11. IN CONCLUSION, I WOULD LIKE TO POINT OUT POLITICAL ASPECT. THIS IS ONE IN WHICH I AM MOST KEENLY INTERESTED. FINLAND, MAY I REMIND YOU, IS THE ONLY COUNTRY EVER TO PAY HER WAR DEBT. FINLAND HAS ASKED US FOR NO ADDITIONAL HELP. FINLAND KNOWS FIRST HAND WHAT IT IS TO SIT ON SOVIET BORDER AND MAINTAIN HER INDEPENDENCE. THIS LITTLE COUNTRY IN DESPERATE FINANCIAL STRAITS AT MOMENT. THE WEAKER SHE IS FINANCIALLY THE MORE VULNERABLE SHE IS POLITICALLY. I CAN'T TELL YOU HOW LARGE THIS ISSUE IS IN FINLAND WHERE EVERYONE FROM PRESIDENT KEKKONEN, THE PARLIAMENT AND EVEN SCHOOL CHILDREN ARE AWARE OF IMPORTANCE OF SELLING ICEBREAKERS TO THE US. PSYCHOLOGICAL BOOST THIS WOULD

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GIVE FINNS AND THEIR FINANCIAL STABILITY IS IMMEASURABLE.

12. IN OUR OWN BEST INTEREST, THESE ICEBREAKERS COULD NOT HELP BUT STRENGTHEN US ECONOMICALLY. AT SAME TIME IT WILL GIVE STRONG ASSISTANCE TO THIS COURAGEOUS COUNTRY WHICH DESERVES OUR ACCOLADES AS WELL AS OUR STRONG MORAL AND FINANCIAL ASSISTANCE.

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